

<b>Policy on Charging Administrative and Clerical Costs</b>	<b>Effective Date: July 15, 2014</b>
<b>Related Policies and Procedures:</b>	

## **I. GENERAL STATEMENT**

The purpose of this Policy is to establish general guidelines for charging administrative or clerical labor and non-labor costs directly to a sponsored project. Special care should be exercised to ensure that costs incurred for the same purpose in like circumstances are treated consistently as either direct or indirect costs. The Policy applies to all Principal Investigators (PIs), co-PIs, and any other person with a role or responsibility in the application for, receipt of, or administration of sponsored projects.

## **II. DEFINITIONS**

- A. Direct Costs. Costs that can be identified specifically with a particular sponsored project relatively easily and with a high degree of accuracy.
- B. Indirect Costs: Costs that are incurred by a grantee for common or joint objectives and that, therefore, cannot be identified specifically with a particular sponsored project. These costs are also known as Facilities & Administrative (F&A) costs.
- C. OMB Circular A-21: The document published by the federal government's Office of Management and Budget that sets forth the governing cost principles for educational institutions.
- D. Principal Investigator: The individual designated by the University as responsible for the scientific or technical direction of the sponsored project. The Principal Investigator is also part of the University team responsible for a sponsored project's financial and administrative compliance.

## **III. PROCEDURE**

### **A. Direct Charging Administrative and Clerical Costs**

Consistent with Section F.6(b) of OMB Circular A-21, administrative or clerical costs that fall within the routine services normally provided by University departments should generally be treated as indirect costs. This includes both salary and non-salary costs. There are, however, limited

instances when these types of costs may be charged directly to a sponsored project.

#### B. Direct Charging Administrative and Clerical Salary Costs

Administrative or clerical salaries may be charged directly to a sponsored project where a “major project” or activity explicitly budgets for administrative or clerical services and the individuals involved can be specifically identified with the sponsored project. A “major project” is one that requires an extensive amount of administrative or clerical support, which is significantly greater than the routine level of such services provided by academic departments.

Below is a list of six examples of the kinds of projects that may be considered major projects. This list is non-exhaustive, and is not intended to represent all possible major projects. Similarly, this list does not imply that direct charging administrative or clerical salaries would always be appropriate in these situations.

1. Large, complex programs such as General Clinical Research Centers, Primate Centers, Program Projects, environmental research centers, engineering research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
2. Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective clinical records studies).
3. Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
4. Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).
5. Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy projects, and other research fields sites that are remote from campus.
6. Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.

### C. Direct Charging Administrative and Clerical Non-Salary Costs

Administrative or clerical non-salary costs may be charged directly to a sponsored project where the cost can be identified readily and specifically with that sponsored project. Identification with a sponsored project functions as the “unlike circumstances” needed to directly charge costs that would otherwise be recouped through the University’s indirect cost rate. Common examples of typical administrative or clerical non-salary costs include office supplies, postage, local telephone costs, and memberships.

### D. Process to Directly Charge Administrative and Clerical Costs

When a PI or other authorized University official recognizes that direct charging of administrative and clerical costs is warranted, the PI or authorized official must maintain the documentation described below in accordance with applicable record retention requirements.

Salary Costs. If direct charging administrative and clerical salaries, the PI must maintain the following:

- Written narrative explaining why the sponsored project is a “major project” requiring an unusually high demand for administrative support that cannot be satisfied with normal departmental resources; and
- Copies of the sponsored project budget and budget narrative demonstrating that the salaries which will be directly charged to the sponsored project were explicitly budgeted for and explaining the job duties of the employees who are being charged to the sponsored project.

Non-Salary Costs. If direct charging administrative and clerical non-salary costs, the PI must maintain the following:

- Documentation of the items to be charged directly to the sponsored project; and
- Written narrative explaining why these items can be identified readily and specifically with a particular sponsored project.

### E. Allocation of Administrative and Clerical Charges

To the extent administrative and clerical salary and non-salary costs that are appropriate for direct charging benefit multiple sponsored projects, please see the University Cost Allocation Policy for guidance on proper allocation of these costs.

F. Failure to Comply with Direct Charging Administrative and Clerical Costs Policy

Failure to comply with the Policy set forth above may result in disciplinary action up to and including termination of employment.

**IV. EMPLOYEES OF OTHER DISTRICT OF COLUMBIA AGENCIES**

To the extent the foregoing Policy is relevant to employees of District of Columbia agencies over whom the University lacks personnel authority, the University will work in good faith with those employees to effectuate adherence to the Policy.

**V. CONTACTS**

Office of the Chief Financial Officer

**VI. COMMITTEES REVIEWING/APPROVING PROCEDURE:**

Sponsored Programs Policy Committee  
Audit, Administration and Governance Committee of the Board of Trustees  
Board of Trustees of the University of the District of Columbia

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**HISTORY/REVISION DATES**

**Last Amended Date: July 10, 2014**

**Next Review Date:**